



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA  
Chief Executive Officer

May 6, 2008

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES: REQUEST TO ACCEPT COMPROMISE OFFER  
OF SETTLEMENT  
(First District)  
(3 Votes)**

**SUBJECT**

On January 8, 2002, the Board approved an ordinance granting the Director authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002. Since the compromise of the accounts referenced below is not within the Director's authority, the Department of Health Services (DHS) is requesting Board approval of these compromises.

**IT IS RECOMMENDED THAT YOUR BOARD:**

Authorize the Director of Health Services (Director) or his designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts for patients who received medical care at a County facility:

(1)	Account Number	LAC+USC – 6257753	\$ 889,777
(2)	Account Number	LAC+USC – 6081271	\$1,050,000

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The compromise offers of settlement for patient accounts (1) – (2) are recommended because the amounts are the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of these cases, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary co-insurance or deductible obligations.

The best interests of the County would be served by the approval of these compromises, since it will enable DHS to maximize net revenue on these accounts.

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

**Implementation of Strategic Plan Goals**

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

**FISCAL IMPACT/FINANCING**

This will expedite the County's recovery of revenue totaling approximately \$1,939,777.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's hospital lien. Factors that contribute to each party receiving more or less than one-third of the recovery include, the number of medical lien holders, the plaintiff's attorney retainer agreement, and costs accrued by plaintiff associated with the legal process.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Maximizing net revenues on these accounts will help DHS meet its budgeted revenue amounts.

**CONCLUSION**

When approved, Department of Health Services requires three signed copies of the Board's action.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:SRH:SAS  
MLM:AT:yb

Attachments (2)

c: County Counsel  
Director and Chief Medical Officer, Department of Health Services

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1  
DATE: May 6, 2008

<b>Total Charges</b>	\$1,046,796	<b>Account Number</b>	6257753
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$1,046,796	<b>Date of Service</b>	8/11/07-11/2/07
<b>Compromise Amount Offered</b>	\$889,776.60	<b>% Of Charges</b>	85%
<b>Amount to be Written Off</b>	\$157,019.40	<b>Facility</b>	LAC+USC Medical Center

### JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of this case, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary coinsurance or deductible obligations.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2  
DATE: May 6, 2008

Total Charges	\$1,349,484	Account Number	6081271
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$1,349,484	Date of Service	6/30/07-10/15/07
Compromise Amount Offered	\$1,050,000	% Of Charges	78%
Amount to be Written Off	\$299,484	Facility	LAC+USC Medical Center

### JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of this case, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary coinsurance or deductible obligations.